

Operational Policy Letter #29

Department of Health & Human Services

Health Care Financing Administration

Medicare Managed Care

September 7, 1995

NATIONAL MEDICARE COVERAGE OF LUNG AND HEART-LUNG TRANSPLANTS - CLARIFICATION

OPL 95.017 described policies regarding coverage of lung transplants by HMOs and CMPs. This document did not address the issue of payment for deductibles and coinsurance related to the lung transplant procedures.

Lung and heart-lung transplants are covered as a "significant cost national coverage" decision. This coverage was published after the date of the announcement of the current calendar year's per capita rate of payment and will be paid by Medicare through the fee-for-service system regardless of whether the service is furnished by the HMO or CMP or obtained by the enrollee from another source

By March 1995, most Medicare enrollees would have satisfied their Medicare Part B deductible. Therefore, it would be inappropriate to charge an additional deductible for Part B services which are related to the lung transplant. Beneficiaries would be liable for coinsurance amounts and any Part A deductible which are attributable to the lung transplant procedure and not otherwise covered by premium payments to the HMO.

For calendar year 1996, the per capita rate of payment (95% of the AAPCC) will be adjusted to incorporate the expansion of Medicare benefits to include lung transplants and heart-lung transplants and associated procedures. These services will be included in the HMO's basic package with a cost sharing by the beneficiary limited to the actuarial value of Medicare's deductibles and coinsurance.

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